

REVENUE BONDS AND CAPITAL FACILITIES

AUTHORIZATIONS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor: Douglas V. Sagers

LONG TITLE

General Description:

This bill authorizes certain state agencies and institutions to issue revenue bonds and authorizes the construction or lease of certain capital facilities.

Highlighted Provisions:

This bill:

- ▶ authorizes the State Building Ownership Authority to issue revenue bonds as follows:
 - up to \$10,091,100 in revenue bonds for the downtown liquor store relocation;
- and
 - up to \$14,000,000 in revenue bonds for constructing two liquor stores in the Taylorsville and West Valley City market areas;
- ▶ authorizes the Board of Regents to issue revenue bonds as follows:
 - up to \$40,000,000 for constructing the Kathryn F. Kirk Center for Comprehensive Cancer Care and Women's Cancers at the University of Utah;
 - up to \$80,000,000 for the Rice-Eccles Stadium South End Zone upgrade at the University of Utah;
 - up to \$41,600,000 for constructing the Mountain View Residence Hall replacement at Utah State University;
 - up to \$11,700,000 for constructing the east parking terrace at Utah State University;
 - up to \$37,700,000 for constructing the Space Dynamics Laboratory Research

Building at Utah State University;

- up to \$15,000,000 for constructing the Space Dynamics Laboratory High Bay

Building at Utah State University;

- up to \$41,835,000 for constructing a student housing facility at Dixie State

University; and

- up to \$24,560,000 for the remodel and expansion of the Sorensen Center at Utah Valley University;

► authorizes the University of Utah to use up to \$89,000,000 in donations and other Huntsman Cancer Institute Funds to plan, design, and construct the Kathryn F. Kirk Center for Comprehensive Cancer Care and Women's Cancers;

► authorizes Utah State University to use up to \$7,700,000 in institutional funds to plan, design, and construct an information technology services building and authorizes the university to use state funds for operation and maintenance costs and capital improvements of the building; and

► authorizes Utah State University to use up to \$11,000,000 in institutional funds to plan, design, and construct the Moab Academic Building and authorizes the university to use state funds for operation and maintenance costs and capital improvements of the building.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

63B-29-101, Utah Code Annotated 1953

63B-29-102, Utah Code Annotated 1953

63B-29-201, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **63B-29-101** is enacted to read:

CHAPTER 29. 2019 BONDING AND FINANCING AUTHORIZATIONS

Part 1. 2019 Revenue Bond Authorizations

63B-29-101. Revenue bond authorizations -- State Building Ownership Authority.

(1) The Legislature intends that:

(a) the State Building Ownership Authority, under the authority of Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$10,091,100 for the downtown liquor store relocation, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements;

(b) the Department of Alcoholic Beverage Control use sales revenue as the primary revenue source for repayment of any obligation created under authority of this Subsection (1); and

(c) the Department of Alcoholic Beverage Control may request operation and maintenance funding from sales revenue.

(2) The Legislature intends that:

(a) the State Building Ownership Authority, under the authority of Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or may enter into or arrange for a lease-purchase agreement in which participation interests may be created, to provide up to \$14,000,000 for two liquor stores in the Taylorsville and West Valley City market areas, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any existing debt service reserve requirements;

(b) the Department of Alcoholic Beverage Control use sales revenue as the primary revenue source for repayment of any obligation created under authority of this Subsection (2); and

(c) the Department of Alcoholic Beverage Control may request operation and

86 maintenance funding from sales revenue.

87 Section 2. Section **63B-29-102** is enacted to read:

88 **63B-29-102. Revenue bond authorizations -- Board of Regents.**

89 (1) The Legislature intends that:

90 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
91 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
92 money on the credit, revenue, and reserves of the university, other than appropriations of the
93 Legislature, to finance the cost of constructing the Kathryn F. Kirk Center for Comprehensive
94 Cancer Care and Women's Cancers;

95 (b) the University of Utah use hospital revenue and donations as the primary revenue
96 sources for repayment of any obligation created under authority of this Subsection (1);

97 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
98 this Subsection (1) may not exceed \$40,000,000 for acquisition and construction proceeds,
99 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
100 fund any debt service reserve requirements;

101 (d) the university may, subject to the requirements of Title 63A, Chapter 5, State
102 Building Board - Division of Facilities Construction and Management, use up to \$89,000,000
103 in donations and other Huntsman Cancer Institute funds together with proceeds authorized
104 under Subsection (1)(c) to plan, design, and construct the Kathryn F. Kirk Center for
105 Comprehensive Cancer Care and Women's Cancers; and

106 (e) the university may not request state funds for operation and maintenance costs or
107 capital improvements.

108 (2) The Legislature intends that:

109 (a) the Board of Regents, on behalf of the University of Utah, may issue, sell, and
110 deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow
111 money on the credit, revenue, and reserves of the university, other than appropriations of the
112 Legislature, to finance the cost of constructing the Rice-Eccles Stadium South End Zone
113 upgrade;

114 (b) the University of Utah use athletic revenue and other institutional funds as the
115 primary revenue sources for repayment of any obligation created under authority of this
116 Subsection (2);

117 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
118 this Subsection (2) may not exceed \$80,000,000 for acquisition and construction proceeds,
119 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
120 fund any debt service reserve requirements;

121 (d) the university may plan, design, and construct the Rice-Eccles Stadium South End
122 Zone upgrade, subject to the requirements of Title 63A, Chapter 5, State Building Board -
123 Division of Facilities Construction and Management; and

124 (e) the university may not request state funds for operation and maintenance costs or
125 capital improvements.

126 (3) The Legislature intends that:

127 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and
128 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow
129 money on the credit, revenue, and reserves of the university, other than appropriations of the
130 Legislature, to finance the cost of constructing the Mountain View Residence Hall
131 replacement;

132 (b) Utah State University use student housing rental fees and other auxiliary revenue as
133 the primary revenue sources for repayment of any obligation created under authority of this
134 Subsection (3);

135 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
136 this Subsection (3) may not exceed \$41,600,000 for acquisition and construction proceeds,
137 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
138 fund any debt service reserve requirements;

139 (d) the university may plan, design, and construct the Mountain View Residence Hall
140 replacement, subject to the requirements of Title 63A, Chapter 5, State Building Board -
141 Division of Facilities Construction and Management; and

142 (e) the university may not request state funds for operation and maintenance costs or
143 capital improvements.

144 (4) The Legislature intends that:

145 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and
146 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow
147 money on the credit, revenue, and reserves of the university, other than appropriations of the
148 Legislature, to finance the cost of constructing the East Parking Terrace;

149 (b) Utah State University use parking fees and other auxiliary revenue as the primary
150 revenue sources for repayment of any obligation created under authority of this Subsection (4);

151 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
152 this Subsection (4) may not exceed \$11,700,000 for acquisition and construction proceeds,
153 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
154 fund any debt service reserve requirements;

155 (d) the university may plan, design, and construct the East Parking Terrace, subject to
156 the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities
157 Construction and Management; and

158 (e) the university may not request state funds for operation and maintenance costs or
159 capital improvements.

160 (5) The Legislature intends that:

161 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and
162 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow
163 money on the credit, revenue, and reserves of the university, other than appropriations of the
164 Legislature, to finance the cost of constructing the Space Dynamics Laboratory Research
165 Building;

166 (b) Utah State University use reimbursement from research projects as the primary
167 revenue sources for repayment of any obligation created under authority of this Subsection (5);

168 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
169 this Subsection (5) may not exceed \$37,700,000 for acquisition and construction proceeds,

170 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
171 fund any debt service reserve requirements;

172 (d) the university may plan, design, and construct the Space Dynamics Laboratory
173 Research Building, subject to the requirements of Title 63A, Chapter 5, State Building Board -
174 Division of Facilities Construction and Management; and

175 (e) the university may not request state funds for operation and maintenance costs or
176 capital improvements.

177 (6) The Legislature intends that:

178 (a) the Board of Regents, on behalf of Utah State University, may issue, sell, and
179 deliver revenue bonds or other evidences of indebtedness of Utah State University to borrow
180 money on the credit, revenue, and reserves of the university, other than appropriations of the
181 Legislature, to finance the cost of constructing the Space Dynamics Laboratory High Bay
182 Building;

183 (b) Utah State University use reimbursement from research projects as the primary
184 revenue sources for repayment of any obligation created under authority of this Subsection (6);

185 (c) the maximum amount of revenue bonds or evidences of indebtedness authorized by
186 this Subsection (6) may not exceed \$15,000,000 for acquisition and construction proceeds,
187 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and
188 fund any debt service reserve requirements;

189 (d) the university may plan, design, and construct the Space Dynamics Laboratory High
190 Bay Building, subject to the requirements of Title 63A, Chapter 5, State Building Board -
191 Division of Facilities Construction and Management; and

192 (e) the university may not request state funds for operation and maintenance costs or
193 capital improvements.

194 (7) The Legislature intends that:

195 (a) the Board of Regents, on behalf of Dixie State University, may issue, sell, and
196 deliver revenue bonds or other evidences of indebtedness of Dixie State University to borrow
197 money on the credit, revenue, and reserves of the university, other than appropriations of the

Legislature, to finance the cost of constructing a student housing facility;

(b) Dixie State University use student housing rental fees and other auxiliary revenues as the primary revenue sources for repayment of any obligation created under authority of this Subsection (7);

(c) the maximum amount of revenue bonds or evidences of indebtedness authorized by this Subsection (7) may not exceed \$41,835,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct a student housing facility, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management; and

(e) the university may not request state funds for operation and maintenance costs or capital improvements.

(8) The Legislature intends that:

(a) the Board of Regents, on behalf of Utah Valley University, may issue, sell, and deliver revenue bonds or other evidences of indebtedness of Utah Valley University to borrow money on the credit, revenue, and reserves of the university, other than appropriations of the Legislature, to finance the cost of remodeling and expanding the Sorensen Center;

(b) Utah Valley University use student fees and auxiliary revenue as the primary revenue sources for repayment of any obligation created under authority of this Subsection (8);

(c) the maximum amount of revenue bonds or evidences of indebtedness authorized by this Subsection (8) may not exceed \$24,560,000 for acquisition and construction proceeds, together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements;

(d) the university may plan, design, and construct the remodel and expansion of the Sorensen Center, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management; and

(e) the university may not request state funds for operation and maintenance costs or

capital improvements.

Section 3. Section **63B-29-201** is enacted to read:

Part 2. Capital Facility Design and Construction Authorizations

63B-29-201. Authorization to design and construct capital facilities using institutional or agency funds.

(1) The Legislature intends that:

(a) Utah State University may, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management, use up to \$7,700,000 in institutional funds to plan, design, and construct an information technology services building;

(b) the university may not use state funds for any portion of this project; and

(c) the university may use state funds for operation and maintenance costs and capital improvements.

(2) The Legislature intends that:

(a) Utah State University may, subject to the requirements of Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management, use up to \$11,000,000 in donations and institutional funds to plan, design, and construct the Moab Academic Building;

(b) the university may not use state funds for any portion of this project; and

(c) the university may use state funds for operation and maintenance costs and capital improvements.